

Exhibit C



UTSTARCOM INC (UTSI)

1275 HARBOR BAY PARKWAY
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ALAMEDA, CA 94502
510. 864.8800
<http://www.utstar.com/>

8-K

CURRENT REPORT OF MATERIAL EVENTS OR CORPORATE CHANGES

Filed on 01/04/2007 - Period: 12/28/2006

File Number 000-29661



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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM 8-K
CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): December 28, 2006

UTSTARCOM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-29661
(Commission File Number)

52-1782500
(I.R.S. Employer Identification No.)

1275 Harbor Bay Parkway
Alameda, California 94502
(Address of principal executive offices)(Zip code)
(510) 864-8800
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) As previously disclosed in its current report on Form 8-K filed with the Securities and Exchange Commission on November 8, 2006, UTStarcom, Inc., a Delaware corporation (the "Company"), is undertaking a voluntary review of its historical equity award grant practices.

Although the review is ongoing and no conclusions have yet been reached in connection with the review, each of Hong Liang Lu, President and Chief Executive Officer, Ying Wu, Executive Vice President and Chief Executive Officer for China, Fran Barton, Executive Vice President and Chief Financial Officer, and Bill Huang, former Executive Vice President and Chief Technology Officer, and each of the Company's independent directors, Thomas Toy, Jeff Clark, Larry Horner and Allen Lenzmeier, have elected to amend any of their previously granted stock options that may in the future be determined to be discounted stock options under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), as described below, by executing a Stock Option Amendment Election Form (the "Protective Amendment Election Form").

In addition, based on preliminary estimates made solely for tax purposes, Messrs. Lu, Wu and Huang have elected to amend certain of their previously granted stock options by executing a second Stock Option Amendment Election Form (the "Amendment Election Form"), as described below.

Section 409A was recently added to the Internal Revenue Code and addresses deferred compensation arrangements. Certain options granted with an exercise price less than the fair market value of the underlying stock on the date of grant are deferred compensation arrangements subject to Section 409A and can result in gain with respect to such discount options (or portions thereof) to be included in an optionee's taxable income prior to exercise, and subject to regular state and federal taxes plus a 20% federal penalty tax and interest charges. The elections described herein were made in accordance with certain guidance issued by the Internal Revenue Service with respect to Section 409A and were made solely to avoid the potential adverse tax consequences of Section 409A. The Company, and its officers and directors making such elections, believe that this is an equitable solution to avoid potential adverse tax consequences both to the individuals and the Company associated with any options that are determined to have been granted at a discount to the fair market value of the underlying stock on the date of grant. No inference should be made as a result of these tax elections about any potential impact on the Company's financial statements of the Company's ongoing review of its historical equity award grant practices.

1. Protective Amendment Election Form.

The Protective Amendment Election Form was executed by each of Messrs. Horner and Lenzmeier on December 28, 2006, by each of Messrs. Lu, Wu, Barton and Huang on December 29, 2006, and by each of Messrs. Toy and Clarke on December 30, 2006.

The Protective Amendment Election Form amends any stock option agreements previously entered into by and between the Company and each of Messrs. Lu, Wu, Huang, Barton, Toy, Horner, Lenzmeier and Clarke, in the event any such stock option agreements may in the future be determined to have resulted in the above individuals holding discounted stock options under Section 409A. In such event, all affected stock option agreements will be automatically amended to provide for an exercise price not less than the fair market value of the common stock subject to option on the effective date of grant.

The form of Protective Amendment Election Form executed by Messrs. Lu, Wu, Huang, Barton, Toy, Horner, Lenzmeier and Clarke is attached hereto as Exhibit 10.1 and incorporated by reference in its entirety to this Form 8-K.

2. Amendment Election Form.

The Amendment Election Form executed by Messrs. Lu, Wu and Huang on December 29, 2006 amends the terms of various stock option agreements entered into by and between the Company and Messrs. Lu, Wu and Huang in February and July of 2002.

On February 28, 2002, each of Messrs. Lu, Wu and Huang entered into a stock option agreement with the Company (collectively, the "February 2002 Option Agreements"), under which Mr. Lu was granted an option to purchase 150,000 shares of the Company's common stock (of which 43,750 shares vesting between January 2005 and February 2006 were adjusted pursuant to the Amendment Election Form), Mr. Wu was granted an option to purchase 100,000 shares of the Company's common stock (of which 29,167 shares vesting between January 2005 and February 2006 were adjusted pursuant to the Amendment Election Form), and Mr. Huang was granted an option to purchase 80,000 shares of the Company's common stock (of which 23,333 shares vesting between January 2005 and February 2006 were adjusted pursuant to the Amendment Election Form).

On July 25, 2002, each of Messrs. Lu, Wu and Huang entered into a stock option agreement with the Company (collectively, the "July 2002 Option Agreements"), under which Mr. Lu was granted an option to purchase 75,000 shares of the Company's common stock (of which 29,688 shares vesting between January 2005 and July 2006 were adjusted pursuant to the Amendment Election Form), Mr. Wu was granted an option to purchase 50,000 shares of the Company's common stock (of which 19,792 shares vesting between January 2005 and July 2006 were adjusted pursuant to the Amendment Election Form), and Mr. Huang was granted an option to purchase 40,000 shares of the Company's common stock (of which 15,833 shares vesting between January 2005 and July 2006 were adjusted pursuant to the Amendment Election Form).

The Amendment Election Form provides for an adjustment to the exercise price of the applicable stock options, to the extent such options remained unexercised at the time of the election and may constitute discounted stock options under Section 409A, based on preliminary estimates made solely for tax purposes in order to avoid potential adverse tax consequences to Messrs. Lu, Wu and Huang and the Company associated with discounted stock options under Section 409A. The exercise price of applicable stock options granted under the February 2002 Option Agreements were increased from \$20.25 per share to \$25.25 per share, and grants under the July 2002 Option Agreements were increased from \$15.75 per share to \$20.82 per share.

The Amendment Election Forms executed by each of Messrs. Lu, Wu and Huang are attached hereto as Exhibits 10.2, 10.3 and 10.4 and incorporated by reference in their entirety to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1	Form of Stock Option Amendment Election Form executed by the Company's key executive officers and directors
10.2	Stock Option Amendment Election Form executed by Hong Liang Lu on December 29, 2006
10.3	Stock Option Amendment Election Form executed by Ying Wu on December 29, 2006
10.4	Stock Option Amendment Election Form executed by Bill Huang on December 29, 2006

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UTSTARCOM, INC.

Date: January 4, 2007

By: /s/ Francis P. Barton
Name: Francis P. Barton
Title: Executive Vice President and Chief
Financial Officer

INDEX TO EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Title</u>
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10.3	Stock Option Amendment Election Form executed by Ying Wu on December 29, 2006
10.4	Stock Option Amendment Election Form executed by Bill Huang on December 29, 2006

**UTSTARCOM, INC.
STOCK OPTION AMENDMENT ELECTION FORM**

This election may be necessary to protect you from penalty taxes that may be imposed upon you under Section 409A of the Internal Revenue Code ("Section 409A"). Under Section 409A, if you hold stock options to purchase shares of common stock of UTStarcom, Inc. ("UTStarcom") that vest after December 31, 2004 that were granted with an exercise price less than the fair market value of UTStarcom's common stock on the date of grant ("discount options"), the portion of the discount options that vest after December 31, 2004 would not comply with Section 409A. As such, unless the discount options are corrected, your gain with respect to the affected portion of your discount option would be includible in your taxable income prior to exercise, and will be subject to regular state and federal taxes plus a 20% federal penalty tax and interest charges. However, under special transition rules designed by the IRS to protect taxpayers from such adverse tax consequences, you are permitted to make an irrevocable election to avoid the impact of Section 409A. The purpose of this election is to provide you with an opportunity to amend your discount stock options in a manner that would avoid the adverse tax consequences of Section 409A described herein. The details of this election are summarized in this election form. Please note, however, that in making any election hereunder you are not admitting, as of the date of the election, that you currently hold any options that would be considered discount options. Instead, this election is intended to be protective in nature to the extent UTStarcom's internal stock option review determines that you have been granted discount options. To take advantage of this election, you must complete the applicable section(s) of this election form and fax or hand-deliver it to UTStarcom to the person set forth below.

SECTION I.**Discount Stock Options**

Please select one of the alternatives below and complete the required information.

☐ I hereby elect to increase the exercise price of all my discount stock options to an exercise price not less than the fair market value of the underlying common stock on the date of grant if the result of the Company's stock option review to be completed no later than December 31, 2007 results in a determination that I hold discount options. If UTStarcom's stock option review results in a determination that I do not hold discount options, no adjustments will be made to my options and they will continue to be governed with their terms and conditions without giving effect to this election. **I understand that if I make this election that I will not be permitted to exercise any of my outstanding stock options until the completion of UTStarcom's stock option review.**

☐ I do not wish to make an election at this time and understand that if UTStarcom's stock option review results in a determination that I hold discount options that UTStarcom will be required to treat such discount stock options as "deferred compensation" under Section 409A and that UTStarcom will be required report and withhold, to the extent applicable, income prior to my exercise of such discount stock options and that I will be subject to the appropriate additional tax and interest charges imposed by Section 409A.

IMPORTANT TAX LAW DEADLINE(S): IRS guidance requires that to the extent you want your election to protect your options from Section 409A tax penalties, it must be submitted or delivered to UTStarcom stock administration by December 31, 2006.

Please return your completed form to:

Russell Boltwood
VP/General Counsel
UTStarcom, Inc.
1275 Harbor Bay Parkway
Alameda, CA 94502 USA
Fax: (510) 338-4395
Tel: (510) 749-1530
e-mail: Russell@utstar.com

SECTION II. Representations Regarding the Terms and Conditions of this Election and Amendment of Discount Stock Options

Voluntary Participation. The election made by me in this form is entirely voluntary. I understand that UTStarcom is not making, nor has it made, any recommendations on whether I should make an election. I acknowledge that I understand that the deadlines described in this form are IRS-imposed deadlines that impact the tax treatment of my discount stock options and not UTStarcom-imposed deadlines on the use of the elections described in this form.

Irrevocable Election. I acknowledge that, once I make an election pursuant to this procedure, I may not subsequently change my mind with respect to any portion of this election.

Amendment to Stock Option. I acknowledge that my election selected above will serve as an amendment to my discount stock options to the extent required to increase the exercise price to that applicable new exercise price as determined pursuant to UTStarcom's stock option review. By my execution of this election, I have agreed to be bound by all the terms and conditions of this election as described in this election form. Other than as amended by the terms and conditions of this election, my discount stock options will remain subject to all of the terms and conditions of the 1997 Stock Plan, the Amended 2001 Director Option Plan, the 2003 Non-Statutory Stock Option Plan, and stock option agreement(s) memorializing my discount stock options.

No Guarantee of Vesting or Continued Status as a Service Provider.

I acknowledge and agree that my election hereunder does not alter the vesting schedule of my discount stock options. I also acknowledge and agree that my election hereunder does not constitute an express or implied promise of continued status as an employee, director or consultant for UTStarcom or any of its subsidiary companies for the applicable discount option vesting period, and that any election I may make shall not interfere with my right or UTStarcom's right to terminate my service at any time, with or without cause.

Tax and Financial Consultation. I acknowledge and represent that I have consulted with such tax and legal advisors and consultants, if any, as I deem advisable in connection with this election. I acknowledge that the information provided to me about the IRS regulations by UTStarcom is based on UTStarcom's current reasoned interpretation of complicated proposed regulations and other IRS guidance based on advice of various tax and legal experts, and that I am not relying on UTStarcom in, and I am solely responsible for, making any election hereunder and that I am not relying upon UTStarcom for any such tax or legal advice.

Administration. I understand and acknowledge and agree that UTStarcom will determine, in its sole and absolute discretion, all questions as to the form of elections and the validity, eligibility and time of receipt of any election. I acknowledge and agree that UTStarcom's determination of these matters will be final and binding on all parties.

Execution and Agreement to Terms and Conditions. Before signing this election form, I have received, read and understand this election form. By submitting this election to UTStarcom, I agree that my discount stock options will be amended, to the extent necessary, to reflect this election, and that my discount stock options are governed by the terms and conditions of this election, the Plan and my stock option agreement(s).

I ACKNOWLEDGE AND AGREE THAT UTSTARCOM IS NOT MAKING ANY RECOMMENDATION TO ME REGARDING WHETHER OR WHEN TO TAKE ANY ACTION IN RESPONSE TO SECTION 409A. THE TIMING OF ANY ELECTION THAT I MAKE WILL AFFECT WHETHER THE ELECTION MITIGATES MY SECTION 409A LIABILITY. THESE ARE IRS TIMING RULES, NOT UTSTARCOM-IMPOSED LIMITATIONS. I WILL HAVE TO DECIDE WHETHER AND HOW TO IMPLEMENT THESE POTENTIAL ACTIONS BASED ON MY PERSONAL TAX AND FINANCIAL POSITION AND OTHER FACTORS.

Signed: _____

Date: December , 2006

Name (printed): _____

UTSTARCOM, INC.

STOCK OPTION AMENDMENT ELECTION FORM

UTStarcom, Inc. ("UTStarcom") has determined that certain of your stock options, as listed on Exhibit A attached hereto, have been granted with an exercise price less than the fair market value of the underlying common stock on the date of grant (your "**discount stock options**") and are currently considered to be deferred compensation arrangements subject to Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"). The purpose of this election is to provide you with an opportunity to amend your discount stock options in a manner that would avoid the adverse tax consequences of Section 409A described herein. The details of this election are summarized in this election form. To take advantage of this election, you must complete the applicable section(s) of this election form and fax or hand-deliver it to UTStarcom to the person set forth below.

SECTION I. Discount Stock Options

Please select one of the alternatives below and complete the required information.

☒ I hereby elect to increase the exercise price of all my discount stock options to an exercise price not less than the fair market value of the underlying common stock on the date of grant, as set forth on Exhibit A hereto.

☐ I do not wish to make an election at this time and understand that UTStarcom will be required to treat such discount stock options as "deferred compensation" under Section 409A and that UTStarcom will be required report and withhold, to the extent applicable, income prior to my exercise of such discount stock options and that I will be subject to the appropriate additional tax and interest charges imposed by Section 409A.

IMPORTANT TAX LAW DEADLINE(S): IRS guidance requires that to the extent you want your election to protect your options from Section 409A tax penalties, it must be submitted or delivered to UTStarcom stock administration by December 31, 2006.

Please return your completed form to:

Russell Boltwood
VP/General Counsel
UTStarcom, Inc.
1275 Harbor Bay Parkway
Alameda, CA 94502 USA
Fax: (510) 338-4395
Tel: (510) 749-1530
e-mail: Russell@utstar.com

SECTION II. Representations Regarding the Terms and Conditions of this Election and Amendment of Discount Stock Options

Voluntary Participation. The election made by me in this form is entirely voluntary. I understand that UTStarcom is not making, nor has it made, any recommendations on whether I should make an election. I acknowledge that I understand that the deadlines described in this form are IRS-imposed deadlines that impact the tax treatment of my discount stock options and not UTStarcom-imposed deadlines on the use of the elections described in this form.

Irrevocable Election. I acknowledge that, once I make an election pursuant to this procedure, I may not subsequently change my mind with respect to any portion of this election.

Amendment to Stock Option. I acknowledge that my election selected above, if any, will serve as an amendment to my discount stock options to the extent required to increase the exercise price to that applicable new exercise price set forth in Exhibit A hereto. By my execution of this election, I have agreed to be bound by all the terms and conditions of this election as described in this election form. Other than as amended by the terms and conditions of this election, my discount stock options remain subject to all of the terms and conditions of the 1997 Stock Plan (the "Plan") and stock option agreement(s) memorializing my discount stock options.

No Guarantee of Vesting or Continued Status as a Service Provider. **I acknowledge and agree that my election hereunder does not alter the vesting schedule of my discount stock options. I also acknowledge and agree that my election hereunder does not constitute an express or implied promise of continued status as an employee, director or consultant for UTStarcom or any of its subsidiary companies for the applicable discount option vesting period, and that any election I may make shall not interfere with my right or UTStarcom's right to terminate my service at any time, with or without cause.**

Tax and Financial Consultation. I acknowledge and represent that I have consulted with such tax and legal advisors and consultants, if any, as I deem advisable in connection with this election. I acknowledge that the information provided to me about the IRS regulations by UTStarcom is based on UTStarcom's current reasoned interpretation of complicated proposed regulations and other IRS guidance based on advice of various tax and legal experts, and that I am not relying on UTStarcom in, and I am solely responsible for, making any election hereunder and that I am not relying upon UTStarcom for any such tax or legal advice.

Administration. I understand and acknowledge and agree that UTStarcom will determine, in its sole and absolute discretion, all questions as to the form of elections and the validity, eligibility and time of receipt of any election. I acknowledge and agree that UTStarcom's determination of these matters will be final and binding on all parties.

Execution and Agreement to Terms and Conditions. Before signing this election form, I have received, read and understand this election form. By submitting this election to UTStarcom, I agree that my discount stock options have been amended, to the extent necessary, to reflect this election, and that my discount stock options are governed by the terms and conditions of this election, the Plan and my stock option agreement(s).

I ACKNOWLEDGE AND AGREE THAT UTSTARCOM IS NOT MAKING ANY RECOMMENDATION TO ME REGARDING WHETHER OR WHEN TO TAKE ANY ACTION IN RESPONSE TO SECTION 409A. THE TIMING OF ANY ELECTION THAT I MAKE WILL AFFECT WHETHER THE ELECTION MITIGATES MY SECTION 409A LIABILITY. THESE ARE IRS TIMING RULES, NOT UTSTARCOM-IMPOSED LIMITATIONS. I WILL HAVE TO DECIDE WHETHER AND HOW TO IMPLEMENT THESE POTENTIAL ACTIONS BASED ON MY PERSONAL TAX AND FINANCIAL POSITION AND OTHER FACTORS.

Signed: /s/ Hong Lu

Date: December 29, 2006

Name (printed): Hong Lu

EXHIBIT A

<u>NAME</u>	<u>ORIGINAL GRANT DATE</u>	<u>SHARES GRANTED</u>	<u>ORIGINAL EXERCISE PRICE</u>	<u>NEW PROPOSED MEASUREMENT DATE</u>	<u>NEW PROPOSED EXERCISE PRICE</u>	<u>SHARES SUBJECT TO CORRECTION</u>
Hong Lu	2/28/2002	150,000	20.25	3/27/2002	25.25	43,750
Hong Lu	7/25/2002	75,000	15.72	7/17/2002	20.82	29,688

UTSTARCOM, INC.

STOCK OPTION AMENDMENT ELECTION FORM

UTStarcom, Inc. ("UTStarcom") has determined that certain of your stock options, as listed on Exhibit A attached hereto, have been granted with an exercise price less than the fair market value of the underlying common stock on the date of grant (your "**discount stock options**") and are currently considered to be deferred compensation arrangements subject to Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"). The purpose of this election is to provide you with an opportunity to amend your discount stock options in a manner that would avoid the adverse tax consequences of Section 409A described herein. The details of this election are summarized in this election form. To take advantage of this election, you must complete the applicable section(s) of this election form and fax or hand-deliver it to UTStarcom to the person set forth below.

SECTION I. Discount Stock Options

Please select one of the alternatives below and complete the required information.

- ☒ I hereby elect to increase the exercise price of all my discount stock options to an exercise price not less than the fair market value of the underlying common stock on the date of grant, as set forth on Exhibit A hereto.
- ☐ I do not wish to make an election at this time and understand that UTStarcom will be required to treat such discount stock options as "deferred compensation" under Section 409A and that UTStarcom will be required report and withhold, to the extent applicable, income prior to my exercise of such discount stock options and that I will be subject to the appropriate additional tax and interest charges imposed by Section 409A.

IMPORTANT TAX LAW DEADLINE(S): IRS guidance requires that to the extent you want your election to protect your options from Section 409A tax penalties, it must be submitted or delivered to UTStarcom stock administration by December 31, 2006.

Please return your completed form to:

Russell Boltwood
VP/General Counsel
UTStarcom, Inc.
1275 Harbor Bay Parkway
Alameda, CA 94502 USA
Fax: (510) 338-4395
Tel: (510) 749-1530
e-mail: Russell@utstar.com

SECTION II. Representations Regarding the Terms and Conditions of this Election and Amendment of Discount Stock Options

Voluntary Participation. The election made by me in this form is entirely voluntary. I understand that UTStarcom is not making, nor has it made, any recommendations on whether I should make an election. I acknowledge that I understand that the deadlines described in this form are IRS-imposed deadlines that impact the tax treatment of my discount stock options and not UTStarcom-imposed deadlines on the use of the elections described in this form.

Irrevocable Election. I acknowledge that, once I make an election pursuant to this procedure, I may not subsequently change my mind with respect to any portion of this election.

Amendment to Stock Option. I acknowledge that my election selected above, if any, will serve as an amendment to my discount stock options to the extent required to increase the exercise price to that applicable new exercise price set forth in Exhibit A hereto. By my execution of this election, I have agreed to be bound by all the terms and conditions of this election as described in this election form. Other than as amended by the terms and conditions of this election, my discount stock options remain subject to all of the terms and conditions of the 1997 Stock Plan (the "Plan") and stock option agreement(s) memorializing my discount stock options.

No Guarantee of Vesting or Continued Status as a Service Provider. **I acknowledge and agree that my election hereunder does not alter the vesting schedule of my discount stock options. I also acknowledge and agree that my election hereunder does not constitute an express or implied promise of continued status as an employee, director or consultant for UTStarcom or any of its subsidiary companies for the applicable discount option vesting period, and that any election I may make shall not interfere with my right or UTStarcom's right to terminate my service at any time, with or without cause.**

Tax and Financial Consultation. I acknowledge and represent that I have consulted with such tax and legal advisors and consultants, if any, as I deem advisable in connection with this election. I acknowledge that the information provided to me about the IRS regulations by UTStarcom is based on UTStarcom's current reasoned interpretation of complicated proposed regulations and other IRS guidance based on advice of various tax and legal experts, and that I am not relying on UTStarcom in, and I am solely responsible for, making any election hereunder and that I am not relying upon UTStarcom for any such tax or legal advice.

Administration. I understand and acknowledge and agree that UTStarcom will determine, in its sole and absolute discretion, all questions as to the form of elections and the validity, eligibility and time of receipt of any election. I acknowledge and agree that UTStarcom's determination of these matters will be final and binding on all parties.

Execution and Agreement to Terms and Conditions. Before signing this election form, I have received, read and understand this election form. By submitting this election to UTStarcom, I agree that my discount stock options have been amended, to the extent necessary, to reflect this election, and that my discount stock options are governed by the terms and conditions of this election, the Plan and my stock option agreement(s).

I ACKNOWLEDGE AND AGREE THAT UTSTARCOM IS NOT MAKING ANY RECOMMENDATION TO ME REGARDING WHETHER OR WHEN TO TAKE ANY ACTION IN RESPONSE TO SECTION 409A. THE TIMING OF ANY ELECTION THAT I MAKE WILL AFFECT WHETHER THE ELECTION MITIGATES MY SECTION 409A LIABILITY. THESE ARE IRS TIMING RULES, NOT UTSTARCOM-IMPOSED LIMITATIONS. I WILL HAVE TO DECIDE WHETHER AND HOW TO IMPLEMENT THESE POTENTIAL ACTIONS BASED ON MY PERSONAL TAX AND FINANCIAL POSITION AND OTHER FACTORS.

Signed: /s/ Ying Wu

Date: December 29, 2006

Name (printed): Ying Wu

EXHIBIT A

<u>NAME</u>	<u>ORIGINAL GRANT DATE</u>	<u>SHARES GRANTED</u>	<u>ORIGINAL EXERCISE PRICE</u>	<u>NEW PROPOSED MEASUREMENT DATE</u>	<u>NEW PROPOSED EXERCISE PRICE</u>	<u>SHARES SUBJECT TO CORRECTION</u>
Ying Wu	2/28/2002	100,000	20.25	3/27/2002	25.25	29,167
Ying Wu	7/25/2002	50,000	15.72	7/17/2002	20.82	19,792

**UTSTARCOM, INC.
STOCK OPTION AMENDMENT ELECTION FORM**

UTStarcom, Inc. ("UTStarcom") has determined that certain of your stock options, as listed on Exhibit A attached hereto, have been granted with an exercise price less than the fair market value of the underlying common stock on the date of grant (your "**discount stock options**") and are currently considered to be deferred compensation arrangements subject to Section 409A ("**Section 409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"). The purpose of this election is to provide you with an opportunity to amend your discount stock options in a manner that would avoid the adverse tax consequences of Section 409A described herein. The details of this election are summarized in this election form. To take advantage of this election, you must complete the applicable section(s) of this election form and fax or hand-deliver it to UTStarcom to the person set forth below.

SECTION I. Discount Stock Options

Please select one of the alternatives below and complete the required information.

☒

I hereby elect to increase the exercise price of all my discount stock options to an exercise price not less than the fair market value of the underlying common stock on the date of grant, as set forth on Exhibit A hereto.

☐

I do not wish to make an election at this time and understand that UTStarcom will be required to treat such discount stock options as "deferred compensation" under Section 409A and that UTStarcom will be required report and withhold, to the extent applicable, income prior to my exercise of such discount stock options and that I will be subject to the appropriate additional tax and interest charges imposed by Section 409A.

IMPORTANT TAX LAW DEADLINE(S): IRS guidance requires that to the extent you want your election to protect your options from Section 409A tax penalties, it must be submitted or delivered to UTStarcom stock administration by December 31, 2006.

Please return your completed form to:

Russell Boltwood
VP/General Counsel
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Alameda, CA 94502 USA
Fax: (510) 338-4395
Tel: (510) 749-1530
e-mail: Russell@utstar.com

SECTION II. Representations Regarding the Terms and Conditions of this Election and Amendment of Discount Stock Options

Voluntary Participation. The election made by me in this form is entirely voluntary. I understand that UTStarcom is not making, nor has it made, any recommendations on whether I should make an election. I acknowledge that I understand that the deadlines described in this form are IRS-imposed deadlines that impact the tax treatment of my discount stock options and not UTStarcom-imposed deadlines on the use of the elections described in this form.

Irrevocable Election. I acknowledge that, once I make an election pursuant to this procedure, I may not subsequently change my mind with respect to any portion of this election.

Amendment to Stock Option. I acknowledge that my election selected above, if any, will serve as an amendment to my discount stock options to the extent required to increase the exercise price to that applicable new exercise price set forth in Exhibit A hereto. By my execution of this election, I have agreed to be bound by all the terms and conditions of this election as described in this election form. Other than as amended by the terms and conditions of this election, my discount stock options remain subject to all of the terms and conditions of the 1997 Stock Plan (the "Plan") and stock option agreement(s) memorializing my discount stock options.

No Guarantee of Vesting or Continued Status as a Service Provider. **I acknowledge and agree that my election hereunder does not alter the vesting schedule of my discount stock options. I also acknowledge and agree that my election hereunder does not constitute an express or implied promise of continued status as an employee, director or consultant for UTStarcom or any of its subsidiary companies for the applicable discount option vesting period, and that any election I may make shall not interfere with my right or UTStarcom's right to terminate my service at any time, with or without cause.**

Tax and Financial Consultation. I acknowledge and represent that I have consulted with such tax and legal advisors and consultants, if any, as I deem advisable in connection with this election. I acknowledge that the information provided to me about the IRS regulations by UTStarcom is based on UTStarcom's current reasoned interpretation of complicated proposed regulations and other IRS guidance based on advice of various tax and legal experts, and that I am not relying on UTStarcom in, and I am solely responsible for, making any election hereunder and that I am not relying upon UTStarcom for any such tax or legal advice.

Administration. I understand and acknowledge and agree that UTStarcom will determine, in its sole and absolute discretion, all questions as to the form of elections and the validity, eligibility and time of receipt of any election. I acknowledge and agree that UTStarcom's determination of these matters will be final and binding on all parties.

Execution and Agreement to Terms and Conditions. Before signing this election form, I have received, read and understand this election form. By submitting this election to UTStarcom, I agree that my discount stock options have been amended, to the extent necessary, to reflect this election, and that my discount stock options are governed by the terms and conditions of this election, the Plan and my stock option agreement(s).

I ACKNOWLEDGE AND AGREE THAT UTSTARCOM IS NOT MAKING ANY RECOMMENDATION TO ME REGARDING WHETHER OR WHEN TO TAKE ANY ACTION IN RESPONSE TO SECTION 409A. THE TIMING OF ANY ELECTION THAT I MAKE WILL AFFECT WHETHER THE ELECTION MITIGATES MY SECTION 409A LIABILITY. THESE ARE IRS TIMING RULES, NOT UTSTARCOM-IMPOSED LIMITATIONS. I WILL HAVE TO DECIDE WHETHER AND HOW TO IMPLEMENT THESE POTENTIAL ACTIONS BASED ON MY PERSONAL TAX AND FINANCIAL POSITION AND OTHER FACTORS.

Signed: /s/ Bill Huang

Date: December 29, 2006

Name (printed): Bill Huang

EXHIBIT A

<u>NAME</u>	<u>ORIGINAL GRANT DATE</u>	<u>SHARES GRANTED</u>	<u>ORIGINAL EXERCISE PRICE</u>	<u>NEW PROPOSED MEASUREMENT DATE</u>	<u>NEW PROPOSED EXERCISE PRICE</u>	<u>SHARES SUBJECT TO CORRECTION</u>
Bill Huang	2/28/2002	80,000	20.25	3/27/2002	25.25	23,333
Bill Huang	7/25/2002	40,000	15.72	7/17/2002	20.82	15,833
